Minutes

Texas Bond Review Board

Called Board Meeting

Thursday, July 30, 2020, 11:30 a.m.

Videoconference Meeting

The Texas Bond Review Board (BRB) convened in a Called Board Meeting at 11:30 a.m., Thursday, July 30, 2020 via videoconference as authorized under Texas Government Code section 551.127. Present were Brady Franks, Chair and Alternate for Governor Greg Abbott; Joaquin Guadarrama, Alternate for Lieutenant Governor Dan Patrick; and Melissa Popkoff, Alternate for Comptroller Glenn Hegar. Also, in attendance were Leslie Brock and David Gordon with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Brady Franks, as Chair, called the meeting to order at 11:31 a.m. A quorum was present. He announced that due to Governor Greg Abbott’s March 13, 2020 proclamation of a state of disaster affecting all counties in Texas due to the Coronavirus (COVID-19) and the Governor’s March 16, 2020 suspension of certain provisions of the Texas Open Meetings Act, this meeting will be held by video webinar, as authorized under Texas Government Code section 551.127.

1. **Public Comment**

There was no public comment.

1. **Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Pecan Grove) Series 2020**

Representatives present were Teresa Morales, Director of Multifamily Bonds, TDHCA; and Jon Galvan, Multifamily Bond Program Specialist, TDHCA.

UPON MOTION BY Joaquin guadarrama AND SECOND BY MELISSA POPKOFF, THE TEXAS BOND REVIEW APPROVED the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Pecan Grove) Series 2020 with a maximum par amount and a maximum total proceeds amount not to exceed $26,000,000 including premiums, if any, as outlined in the application dated July 14, 2020 and supplements through July 20, 2020.

1. **Texas State Technical College Lease Purchase with the TSTC Foundation for the Construction of a Residence Hall at the Texas State Technical College Waco Campus**

Representatives present were Mike Reeser, Chancellor, TSTC; Jonathan Hoekstra, Vice Chancellor and Chief Financial Officer, TSTC; Chad Wooten, Associate Vice Chancellor for Finance, TSTC; Ray Rushing, General Counsel, TSTC; and Dan Pleitz, General Counsel for the TSTC Foundation and Bond Counsel, TSTC.

UPON MOTION BY MELISSA POPKOFF AND SECOND BY JOAQUIN GUADARAMMA, THE TEXAS BOND REVIEW Board APPROVED the Texas State Technical College lease purchase in an amount not to exceed $22,000,000 with the TSTC Foundation for the construction of a residence hall at the Texas State Technical College Waco campus, as outlined in the application dated July 16, 2020 and supplements through July 30, 2020.

1. **Discussion and possible action regarding proposal for publication in the Texas Register for public comment of new rule to Title 34 Texas Administrative Code, Part 9, Chapter 181 adding rule 181.13 to delegate state security approval authority to the executive director and impose filing requirements for issuers of state debt**

BRB staff proposes updates and clarifications to its administrative code rules in Texas Administrative Code (TAC) Chapter 181, adding §181.13. Rule for Board Approval Through the BRB Exempt Process During a State of Emergency. This new permanent rule is being proposed by staff to respond to any declaration of a statewide emergency. The purpose of the new rule is to allow the BRB’s executive director to approve state securities, thereby reducing the need to hold a government public meeting to approve state debt, minimizing face-to-face contact if a state of emergency presents imminent peril to public health, safety and welfare.

No votes were taken on this item.

1. **EXEMPT – Texas Department of Housing and Community Affairs Multifamily Note (Vermillion Apartments) Series 2020**

Representatives present were Teresa Morales, Director of Multifamily Bonds, TDHCA; and Jon Galvan, Multifamily Bond Program Specialist, TDHCA.

This transaction was submitted on the BRB EXEMPT track, and the 6-day review period will expire on Monday, August 3, 2020.

1. **EXEMPT – Texas Private Activity Bond Surface Transportation Corporation Senior Lien Revenue Refunding Bonds (LBJ Infrastructure Group LLC I-635 Managed Lanes Project) Series 2020A (Non-AMT) and Taxable Series 2020B (issued in one or more series)**

Representative present was Jennifer Wright, Project Finance, Debt & Strategic Contracts Division, TXDOT.

This transaction was submitted on the BRB EXEMPT track. Staff will submit the transaction to the Board for the 6-day review period when the application is complete.

1. **Date for Next Board Meeting**

The Bond Review Board will schedule government public meetings to discuss state debt transactions, as needed, for the foreseeable future.

1. **Report from the Executive Director**

* So far for fiscal year 2020, we have received a total of 1,619 local government debt issues that need to be processed. This is an increase of 25% from the total number of issues received during this time last year.
* So far staff processed 107 private activity bond (PAB) reservations totaling $4.25 billion in volume cap. To date, just under $1.46 billion of volume cap has been allocated for the year.
* Staff is evaluating a process to receive PAB applications for the August 15, 2020 collapse date.
* Staff anticipates the PAB lottery, for the 2021 calendar year, will be one of the largest within the past decade. Staff plans to have a virtual PAB lottery so that attendees can watch the results live as they occur.
* Staff is working on the Capital Expenditure Plan (CEP) and should have the report completed and posted to the agency’s website by September 1, 2020. Staff has already received requests for the information collected for the CEP.
* This afternoon, Moody’s will be conducting a review of the State of Texas credit rating.
* The Moody’s analytical team said they are interested in speaking at one of our next Texas Public Finance Webinars. Staff is planning to hold this webinar sometime in October.

1. **Adjourn**

There being no further business, the Called Board Meetingwas adjourned at 11:50 a.m.